

Forty-eighth Legislature  
Second Regular Session

COMMITTEE ON APPROPRIATIONS

HOUSE OF REPRESENTATIVES AMENDMENTS TO H.B. 2062

(Reference to printed bill)

- 1   Page 3, line 19, strike "full" insert "**TYPICAL**"; after "period" insert "**AMOUNT**"  
2   Line 21, after "38-743" insert ", 38-744"; after the period insert "**THE TYPICAL**  
3   **PAY PERIOD AMOUNT SHALL BE DETERMINED BY TAKING THE FIVE PAY PERIODS**  
4   **IMMEDIATELY PRIOR TO THE DATE OF REQUEST, DISREGARDING THE HIGHEST AND LOWEST**  
5   **COMPENSATION AMOUNT PAY PERIODS AND AVERAGING THE THREE REMAINING PAY**  
6   **PERIODS.**"  
7   Line 22, after "year" insert ", **DISREGARDING THE FIRST COMPENSATION AMOUNT PAY**  
8   **PERIOD,**"  
9   Lines 24, 27 and 30, after "38-743" insert ", 38-744"  
10   Page 5, line 17, strike "**FOR A MEMBER WHOSE MEMBERSHIP COMMENCED BEFORE JULY 1,**  
11   **2009,**"  
12   Line 19, after the period strike remainder of line; strike lines 20 and 21  
13   Page 6, strike lines 5 through 43, insert:  
14         "Sec. 2. Section 38-714, Arizona Revised Statutes, is amended to read:  
15             38-714. Powers and duties of ASRS and board  
16             A. ASRS shall have the powers and privileges of a corporation, shall  
17             have an official seal and shall transact all business in the name "Arizona  
18             state retirement system", and in that name may sue and be sued.  
19             B. The board is responsible for supervising the administration of this  
20             article by the director of ASRS, except the investment powers and duties of  
21             investment management.  
22             C. The board is responsible for the performance of fiduciary duties  
23             and other responsibilities required to preserve and protect the retirement  
24             trust fund established by section 38-712.  
25             D. The board shall:  
26                 1. Prescribe investment goals, objectives and policies that are  
27                 consistent with the purposes of this article and the limitations and standard  
28                 of care prescribed in section 38-719, subsection B.

1           2. Allocate assets to meet the investment goals, objectives and  
2 policies it prescribes.

3           3. Adopt specific policy directives for the guidance of investment  
4 management.

5           4. Meet with each investment manager at least annually or at the  
6 request of a board member to review the investment manager's performance and  
7 the investment manager's attainment of and adherence to the board's  
8 investment goals, objectives and policies.

9           E. The board shall not advocate for or against legislation providing  
10 for benefit modifications, except that the board shall provide technical and  
11 administrative information regarding the impact of benefit modification  
12 legislation.

13           F. The board may:

14           1. Determine the rights, benefits or obligations of any person under  
15 this article and afford any person dissatisfied with a determination a  
16 hearing on the determination.

17           2. Determine the amount, manner and time of payment of any benefits  
18 under this article.

19           3. Assign, transfer and deliver all stocks, bonds and other  
20 investments owned by ASRS if it is not inconsistent with or does not in any  
21 way contravene the authority of investment management for investing,  
22 reinvesting, purchasing and selling stocks, bonds and other investments.

23           4. Recommend amendments to this article and articles 2.1 and 7 of this  
24 chapter that are required for efficient and effective administration.

25           5. Adopt, amend or repeal rules for the administration of **THE PLAN**,  
26 this article **AND ARTICLES 2.1 AND 7 OF THIS CHAPTER**.

27           6. Prescribe investment diversification programs and assign investment  
28 management responsibilities regarding those programs as it deems appropriate  
29 to achieve its investment goals, objectives and policies.

30           G. The board shall submit to the governor and legislature for each  
31 fiscal year no later than eight months after the close of the fiscal year a  
32 report of its operations and the operations of ASRS. The report shall follow

1 generally accepted accounting principles and generally accepted financial  
2 reporting standards and shall include:

3       1. A report on an actuarial valuation of ASRS assets and liabilities.  
4       2. Any other statistical and financial data that may be necessary for  
5 the proper understanding of the financial condition of ASRS and the results  
6 of board operations.

7       3. On request of the governor or the legislature, a list of  
8 investments owned. This list shall be provided in electronic format.

9       H. The board shall:

10      1. Prepare and publish a synopsis of the annual report for the  
11 information of ASRS members.

12      2. Contract for a study of the mortality, disability, service and  
13 other experiences of the members and employers participating in ASRS. The  
14 study shall be conducted for fiscal year 1990-1991 and for at least every  
15 fifth fiscal year thereafter. A report of the study shall be completed  
16 within eight months of the close of the applicable fiscal year and shall be  
17 submitted to the governor and the legislature.

18      3. Conduct an annual actuarial valuation of ASRS assets and  
19 liabilities.

20       I. The auditor general may make an annual audit of ASRS and transmit  
21 the results to the governor and the legislature."

22 Page 7, lines 6 and 23, strike "OR B"

23 Page 8, line 6, strike "\$1,342,000" insert "\$763,319"

24 Amend title to conform

and, as so amended, it do pass

RUSSELL K. PEARCE  
Chairman

2062-approp

3/12/08

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